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Canada Education Savings Program

# Annual Statistical Review 2012

LC-140-05-13E

Canada

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## 1. CANADA EDUCATION SAVINGS PROGRAM – ANNUAL STATISTICAL REVIEW 2012

The Canada Education Savings Program (CESP) has been an initiative of the Government of Canada since 1998. As part of the Department of Human Resources and Skills Development Canada, the program administers the Canada Education Savings Grant (CESG) and the Canada Learning Bond (CLB). These two initiatives help Canadian families save for a child's post-secondary education in Registered Education Savings Plans (RESPs).

Although any person can be named by a subscriber of an RESP to receive money for education after high school, the *Annual Statistical Review 2012* only reports on those who have previously received the Government of Canada incentives to save in RESPs which are available to children 0 to 17 years of age.

### *About this Report*

This report provides annual statistics on the CESP and RESPs in Canada for January 1 through December 31, 2012 as well as historical data that show trends since program inception.

The primary source of data used to produce this report is the CESP's Reporting Database, which compiles CESG and CLB data supplied by RESP providers.

CESG statistics were calculated based on the date on which transactions were made such as the date that a contribution or an Education Assistance Payment was made; whereas the CLB statistics were calculated based on a processing date, which is the date that the grant is paid.

### *1.1 Summary of the Canada Education Savings Program's Annual Statistical Review 2012*

The following summary provides a snapshot of the key statistics found in this report.

**Value of RESP Assets**

- By the end of 2012, Canadians held $35.6 billion in their RESPs. The growth in RESP assets has been significant over the past two years. In 2011 and 2012, RESP assets grew by $4 billion each year representing an average annual rate of 12.6%. (See RESP Assets by Year for more details).

**Annual RESP Contributions**

- Families contributed $3.7 billion to their children's RESPs in 2012. This represents an increase of $110 million over 2011. (See Annual RESP Contributions for more details).

**Canada Education Savings Grant**

- The CESG payments in 2012 increased by $26 million (3.6%) over 2011 to reach $741 million.
- 45.4% of Canadian children under the age of 18 have now received the CESG. (See Canada Education Savings Grant for more details).

**Canada Learning Bond**

- The CLB participation rate reached 27.5% of eligible families in 2012. The number of children who have ever received the CLB was 498,766, which represents an increase of 111,841 beneficiaries over 2011.
- In 2012, the CLB payments increased by almost 26% to $99.41 million. Since 2005, the Government of Canada has made $398.36 million available to low-income families in the form of CLBs to encourage them to start saving for their children's post-secondary education.
  (See Canada Learning Bond for more details).

**Supporting Access to Post-Secondary Education**

- Post-secondary students withdrew an average of $7,235 from their RESPs in 2012, a 4.7% increase over 2011.
- In total, 328,244 students withdrew a total of $2.38 billion from their RESPs for the purpose of post-secondary education in 2012, an increase of 9.5% in the number of students over 2011.
  (See Supporting Access to Post-Secondary Education for more details).

## SUMMARY OF THE CANADA EDUCATION SAVINGS PROGRAM'S ANNUAL STATISTICAL REVIEW 2012

| DESCRIPTION | 2010 | 2011 | 2012 | Change between 2011 and 2012 |
|---|---|---|---|---|
| **REGISTERED EDUCATION SAVINGS PLANS (RESPs)** | | | | |
| Total value of RESP assets ($ billion) | $27.6 | $31.6 | $35.6 | $4.0 |
| Value of annual RESP contributions ($ billion) | $3.44* | $3.59* | $3.70 | $0.11 |
| **CANADA EDUCATION SAVINGS GRANT** | | | | |
| Canada Education Savings Grant payments ($ million) | $679* | $715* | $741 | $26 |
| Total Canada Education Savings Grant paid since inception in 1998 ($ billion) | $5.77 | $6.48* | $7.22 | $0.74 |
| Total number of beneficiaries aged 0 to 17 years who have ever received a Canada Education Savings Grant (million) | 2.88 | 3.02 | 3.14 | 0.12 |
| Total number of beneficiaries who have ever received a Canada Education Savings Grant (million) | 3.96 | 4.26 | 4.55 | 0.29 |
| Average age of new Canada Education Savings Grant beneficiaries | 3.60 | 3.58 | 3.54 | -0.04 |
| Canada Education Savings Grant participation rate | 42.8% | 43.6% | 45.4% | 1.8% |
| **CANADA LEARNING BOND** | | | | |
| Canada Learning Bond payments ($ million) | $65.18 | $79.02 | $99.41 | $20.39 |
| Total Canada Learning Bond paid since inception in 2005 ($ million) | $219.93 | $298.95 | $398.36 | $99.41 |
| Total number of children who have ever received a Canada Learning Bond | 292,941 | 386,925 | 498,766 | 111,841 |
| Cumulative number of children eligible for Canada Learning Bond (million) | 1.34 | 1.58 | 1.81 | 0.23 |
| Average annual contribution per Canada Learning Bond beneficiary ($) | $1,015 | $1,005 | $1,013 | $8 |
| Total amount contributed to RESPs by families of Canada Learning Bond beneficiaries ($ million) | $839.32 | $1,231.28 | $1779.20 | $547.92 |
| Canada Learning Bond participation rate | 21.8% | 24.4% | 27.5% | 3.1% |
| **ACCESS TO POST-SECONDARY EDUCATION** | | | | |
| The total amount withdrawn from RESPs in a calendar year to pay for PSE ($ billion) | $1.92 | $2.07 | $2.38 | $0.31 |
| The total number of RESP beneficiaries using RESPs to pay for PSE | 287,865 | 299,709 | 328,244 | 28,535 |
| The average amount of RESP withdrawals per student to pay for post-secondary Education ($) | $6,680 | $6,907 | $7,235 | $328 |

* These numbers have been updated to reflect the delayed reporting of financial transactions by RESP providers.

## 2. RESPs - REGISTERED EDUCATION SAVINGS PLANS

A Registered Education Savings Plan (RESP) is an education savings vehicle that can help Canadians save for post-secondary education. RESPs are registered by the Government of Canada to allow savings for education to grow tax-free until the person named in the RESP enrolls in post-secondary education. The value of RESPs can grow through contributions made by RESP subscribers, a grant and/or bond provided by the Government of Canada, interest or earnings, and growth in the value of the assets held in the RESP.

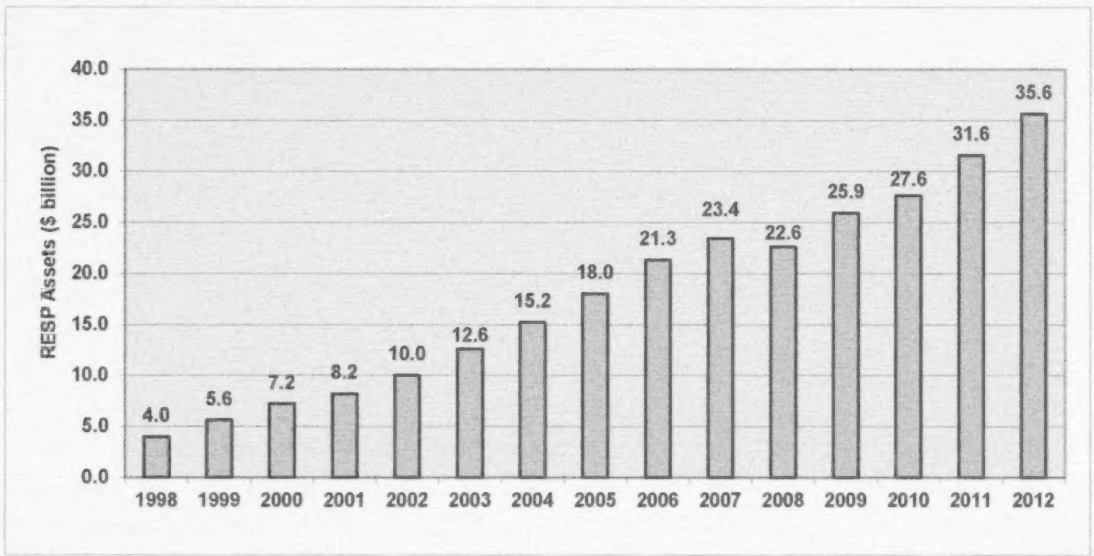
This section provides information on the total amount held in RESPs (Assets).

### *2.1 RESP Assets by Year*

RESP assets in the chart below are the total market value of all RESPs in Canada as of December 31 of each year. These assets represent the amount available for funding children's post-secondary education.

Over the last fifteen years of the Canada Education Savings Program (CESP), the value of the RESP assets has continued to grow by an average of $2.3 billion per year. Only 2008 witnessed a net decline in the value of RESP assets due to the economic downturn. In 2012, it reached $35.6 billion, representing a $4 billion annual growth (12.6%) over 2011.

***RESP ASSETS BY YEAR ($ BILLION)***

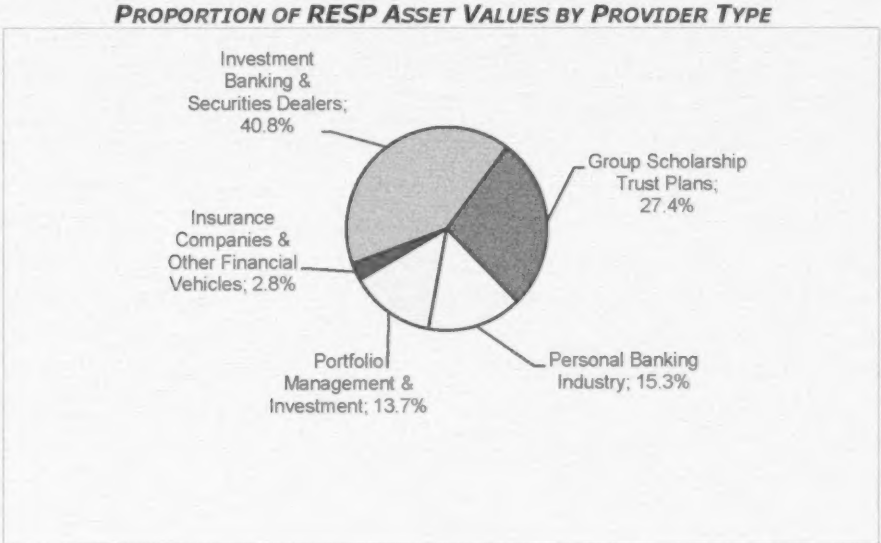


### *2.2 Proportion of RESP Assets by Provider Type*

RESP providers are financial organizations that provide RESPs to the public. They administer all amounts paid into a plan and ensure that the payments from RESPs are made according to the terms of the plans and the laws that govern RESPs. The CESP is currently delivered through 83 RESP providers through which the Canada Education Savings Grant (CESG) payments are made every year.

Like in previous years, the largest market share of the RESP assets was held by investment banking and securities dealers that managed 40.8% of the total assets. Group scholarship trust plans had the second largest share, with 27.4% of the market.

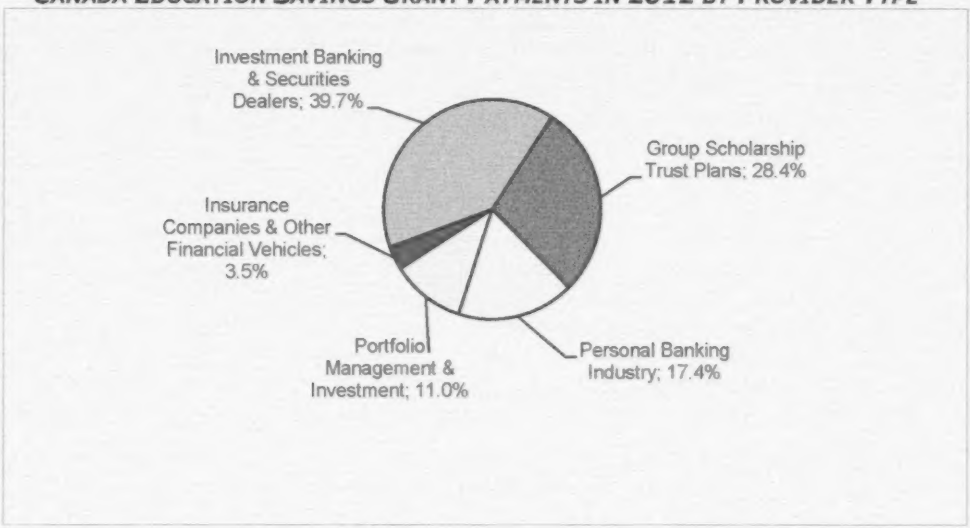
***PROPORTION OF RESP ASSET VALUES BY PROVIDER TYPE***


Investment Banking & Securities Dealers; 40.8%
Group Scholarship Trust Plans; 27.4%
Insurance Companies & Other Financial Vehicles; 2.8%
Portfolio Management & Investment; 13.7%
Personal Banking Industry; 15.3%

### *2.3 Proportion of Canada Education Savings Grant Payments by Provider Type*

In 2012, the investment banking and securities dealers received 39.7% of all CESGs, followed by group scholarship trust plans, which received 28.4%.

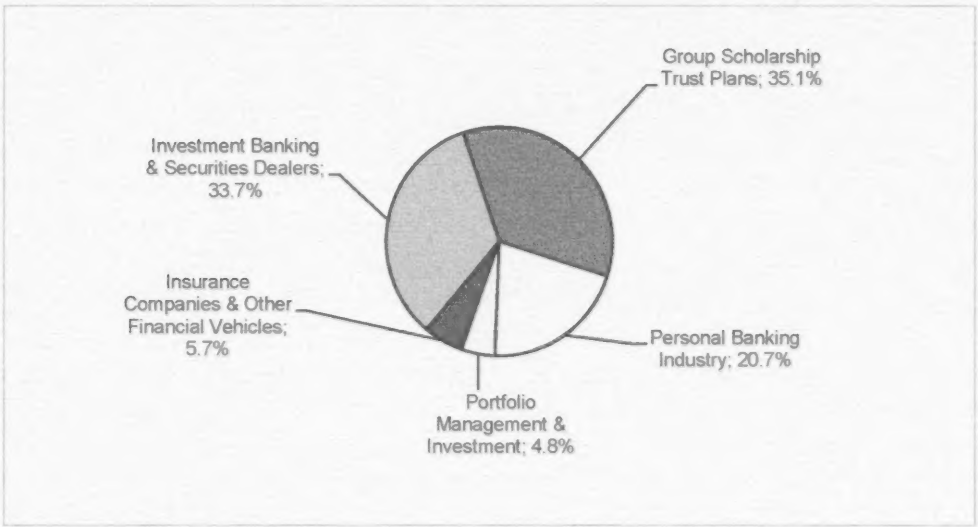
***CANADA EDUCATION SAVINGS GRANT PAYMENTS IN 2012 BY PROVIDER TYPE***


Investment Banking & Securities Dealers; 39.7%
Group Scholarship Trust Plans; 28.4%
Insurance Companies & Other Financial Vehicles; 3.5%
Portfolio Management & Investment; 11.0%
Personal Banking Industry; 17.4%

### *2.4 Proportion of Canada Learning Bond Payments by Provider Type*

Group scholarship trust plans accounted for the largest share of the total Canada Learning Bond (CLB) payments that were made by the Government of Canada to RESPs in 2012 with 35.1% of the total. They were followed by investment banking and securities dealers, which received 33.7% of CLB payments.

***CANADA LEARNING BOND PAYMENTS IN 2012 BY PROVIDER TYPE***


Group Scholarship Trust Plans; 35.1%
Investment Banking & Securities Dealers; 33.7%
Insurance Companies & Other Financial Vehicles; 5.7%
Personal Banking Industry; 20.7%
Portfolio Management & Investment; 4.8%

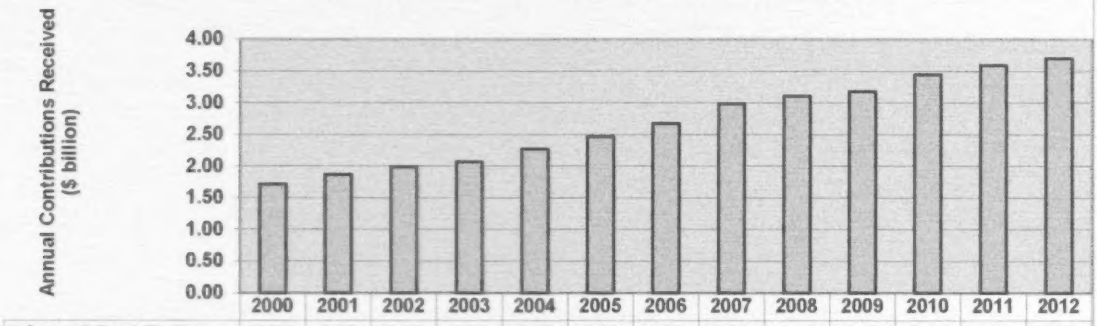
## 3. CONTRIBUTIONS TO REGISTERED EDUCATION SAVINGS PLANS

A contribution is the amount of savings deposited into a Registered Education Savings Plan (RESP) account on behalf of a child, known as the beneficiary of the RESP. Earnings on RESP savings can grow tax-free until the money is withdrawn when the beneficiary enrolls in post-secondary studies.

### *3.1 Annual RESP Contributions*

In 2012, contributions to RESPs increased to $3.70 billion from $3.59 billion in 2011. In the last ten years, the annual growth rate in contributions fluctuated in general, and reached its height in 2007 with a 12% increase. The growth in contributions has since slowed to 4% and 3% in last two years respectively.

***ANNUAL RESP CONTRIBUTIONS ($ BILLION)***



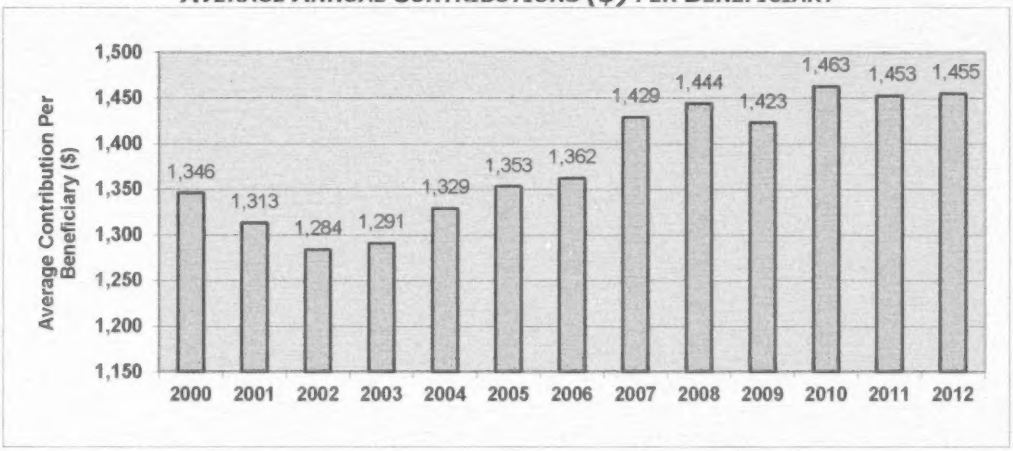

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Annual Contributions | 1.71 | 1.87 | 1.99 | 2.06 | 2.27 | 2.46 | 2.67 | 2.99 | 3.10 | 3.18 | 3.44 | 3.59 | 3.70 |
| Year over Year Change | 9% | 9% | 6% | 4% | 10% | 8% | 8% | 12% | 4% | 2% | 8% | 4% | 3% |

### *3.2 Average Annual RESP Contributions per Beneficiary*

An RESP beneficiary is usually a child (age 0-17) but can be any person (over the age of 18) named by the subscriber of an RESP to receive money for education after high school.

Among beneficiaries who received contributions in 2012, the average annual RESP contribution per beneficiary was $1,455. This is slightly higher than the $1,453 in 2011. Since 2000, the trend in average contributions has closely mirrored the overall economy in that it continued to increase during periods of economic growth and experienced downward pressures during the recessionary periods of 2002 and 2008.

***AVERAGE ANNUAL CONTRIBUTIONS ($) PER BENEFICIARY***




### *3.3 Average Annual RESP Contributions per Beneficiary by Province and Territory*

Consistent with the slight increase in average savings at the national level, most provinces and territories except Manitoba, Prince Edward Island and Quebec, had growth in their average annual RESP contributions in 2012. Since 2008, Nunavut, British Columbia, Ontario, Yukon and Northwest Territories have had contributions higher than the national average.

***AVERAGE ANNUAL RESP CONTRIBUTIONS PER BENEFICIARY BY PROVINCE AND TERRITORY***

| Province and Territory | 2008 ($) | 2009 ($) | 2010 ($) | 2011 ($) | 2012 ($) |
|---|---|---|---|---|---|
| Nunavut | 1,530 | 1,565 | 1,593 | 1,792 | 1,882 |
| British Columbia | 1,592 | 1,580 | 1,632 | 1,632 | 1,645 |
| Ontario | 1,571 | 1,552 | 1,600 | 1,592 | 1,596 |
| Yukon | 1,493 | 1,432 | 1,627 | 1,526 | 1,584 |
| Northwest Territories | 1,576 | 1,575 | 1,599 | 1,460 | 1,538 |
| Alberta | 1,461 | 1,413 | 1,439 | 1,426 | 1,434 |
| Saskatchewan | 1,298 | 1,286 | 1,331 | 1,314 | 1,339 |
| Nova Scotia | 1,205 | 1,194 | 1,228 | 1,219 | 1,221 |
| Manitoba | 1,231 | 1,219 | 1,230 | 1,230 | 1,205 |
| Prince Edward Island | 1,157 | 1,168 | 1,226 | 1,236 | 1,205 |
| Quebec | 1,177 | 1,165 | 1,193 | 1,172 | 1,166 |
| Newfoundland and Labrador | 1,039 | 1,052 | 1,093 | 1,106 | 1,130 |
| New Brunswick | 1,044 | 1,039 | 1,075 | 1,076 | 1,091 |
| CANADA | 1,444 | 1,423 | 1,463 | 1,453 | 1,455 |

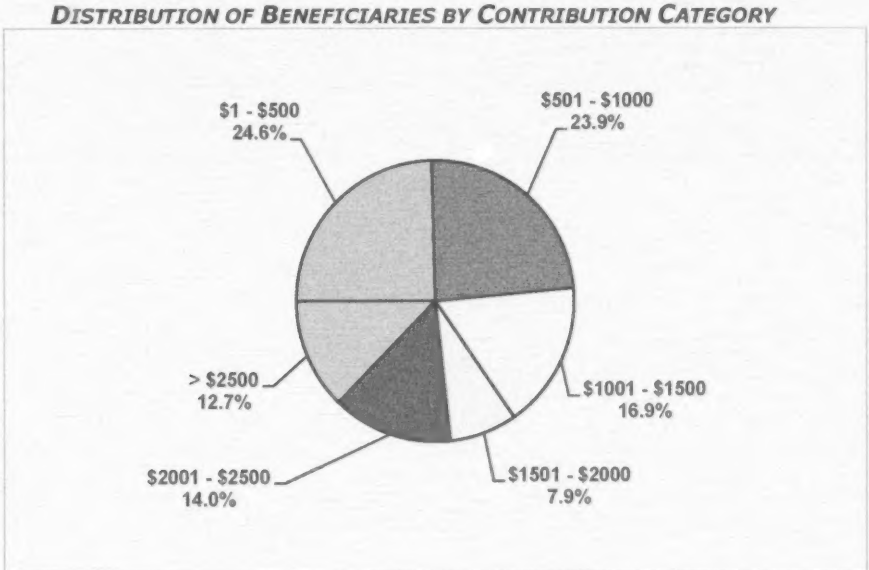
### *3.4 Contribution Amount per Beneficiary*

In 2012, the distribution of beneficiaries by contribution amount was almost the same as it was in 2011. Specifically, of the children who had contributions deposited into their RESPs, 24.6% received $500 or less, 48.5% received less than $1,000 in contributions, 38.8% received between $1,001 and $2,500 in contributions, and 12.7% of beneficiaries received more than $2,500 in contributions.

Not all families contribute to their children's RESPs each year. As of 2012, there were 3.14 million Canada Education Savings Grant (CESG) beneficiaries aged 0 to 17 years. Of this total, 2.42 million beneficiaries (77%) received contributions and hence the CESG, while 720,000 did not.

Although there is no annual limit on the amount that may be saved in an RESP each year, CESGs are paid on the first $2,500 saved annually.

***DISTRIBUTION OF BENEFICIARIES BY CONTRIBUTION CATEGORY***



## 4. CANADA EDUCATION SAVINGS GRANT

A Canada Education Savings Grant (CESG) is money offered by the Government of Canada to help families start saving early for their children's education after high school. The CESG is calculated based on contributions made to a Registered Education Savings Plan (RESP) for an eligible beneficiary and consists of two components:

- Basic CESG
- Additional CESG

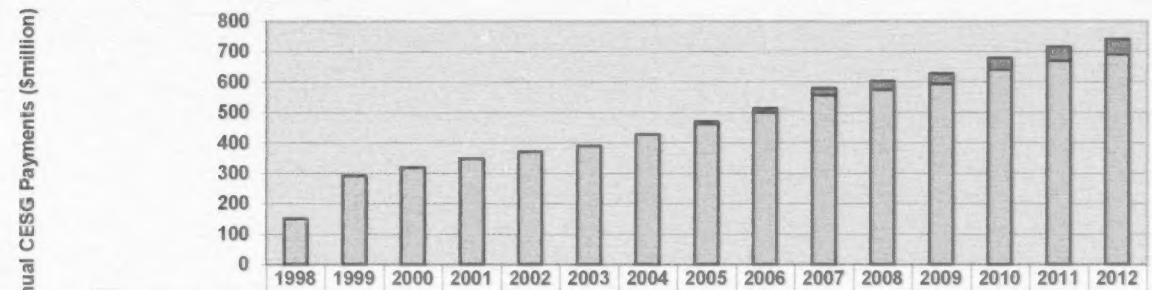
The Basic CESG is a payment of 20% on the first $2,500 of contributions saved into an RESP made on behalf of an eligible beneficiary, until the end of the calendar year in which the beneficiary turns 17.

The Additional CESG is a top up to the Basic CESG that the Government of Canada offers to encourage low- to middle-income families save for their children's education. This grant is an additional payment of 10% or 20% that is applied to the first $500 saved on behalf of and eligible beneficiary, until the end of the calendar year in which the beneficiary turns 17.

### *4.1 Annual Canada Education Savings Grant Payments*

In 2012, total CESG payments increased to $741 million from $715 million in 2011, representing a 3.6% increase. Of the total CESG payments in 2012, $51 million was in Additional CESG payments (6.9%) while $690 million was in the form of Basic CESG payments (93.1%).

***ANNUAL CANADA EDUCATION SAVINGS GRANT PAYMENTS ($ MILLION)***




| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Additional CESG | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 14 | 22 | 28 | 34 | 39 | 46 | 51 |
| Basic CESG | 151 | 291 | 318 | 348 | 370 | 389 | 426 | 462 | 500 | 557 | 575 | 593 | 640 | 669 | 690 |
| Total CESG | 151 | 291 | 318 | 348 | 370 | 389 | 426 | 470 | 514 | 579 | 603 | 627 | 679 | 715 | 741 |

### *4.2 Annual Payments by Province and Territory*

Of the total $741 million in CESG payments made in 2012, the proportion paid to beneficiaries in each province remains similar to previous years. In particular, $351.6 million (47.5%) went to RESP beneficiaries residing in Ontario, followed by $123.5 million (16.7%) to residents of Quebec. In addition, $106.1 million (14.3%) in grant payments were made to beneficiaries in British Columbia and another $87.7 million (11.8%) were paid to beneficiaries in Alberta. Beneficiaries in the remaining provinces and territories received less than 10% of the total grant payments.

***ANNUAL PAYMENTS BY PROVINCE AND TERRITORY ($ MILLION)***

| Province and Territory | 2007 | 2008 | 2009 | 2010* | 2011* | 2012 | CESG Payment Proportion in 2012 (%) |
|---|---|---|---|---|---|---|---|
| Ontario | 278.2 | 288.8 | 299.9 | 325.5 | 341.6 | 351.6 | 47.5 |
| Quebec | 88.2 | 93.7 | 99.6 | 109.3 | 117.5 | 123.5 | 16.7 |
| British Columbia | 85.8 | 88.6 | 91.3 | 98.4 | 102.8 | 106.1 | 14.3 |
| Alberta | 68.7 | 71.1 | 73.3 | 78.8 | 83.3 | 87.7 | 11.8 |
| Saskatchewan | 15.1 | 15.7 | 16.1 | 17.4 | 18.2 | 19.0 | 2.6 |
| Manitoba | 14.6 | 15.1 | 15.7 | 16.9 | 18.0 | 18.7 | 2.5 |
| Nova Scotia | 11.0 | 11.1 | 11.3 | 12.1 | 12.4 | 12.6 | 1.7 |
| New Brunswick | 8.7 | 9.0 | 9.2 | 9.7 | 9.8 | 10.0 | 1.3 |
| Newfoundland and Labrador | 6.2 | 6.4 | 6.8 | 7.3 | 7.5 | 7.6 | 1.0 |
| Prince Edward Island | 1.6 | 1.7 | 1.7 | 1.9 | 2.0 | 2.0 | 0.3 |
| Northwest Territories | 0.4 | 0.5 | 0.6 | 0.6 | 0.6 | 0.7 | 0.1 |
| Yukon | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 | 0.7 | 0.1 |
| Nunavut | 0.2 | 0.2 | 0.1 | 0.1 | 0.2 | 0.2 | 0.02 |
| CANADA | 579 | 603 | 627 | 679 | 715 | 741 | 100 |

* These numbers have been updated to reflect the delayed reporting of financial transactions by RESP providers.

### *4.3 Canada Education Savings Grant Summary Statistics by Province and Territory*

As of December 31, 2012, the national participation rate for the CESG was 45.4%. The participation rate is obtained by dividing the number of children 0 to 17 years of age who have ever received the grant by the total number of children of this same age group in 2012.

The table presents the national, provincial and territorial statistics related to the CESG. In 2012, all provinces and territories had growth in the CESG participation rate, with Ontario surpassing 50%. British Columbia was not far behind at 49.1% while Alberta also had higher than the national average.

***CANADA EDUCATION SAVINGS GRANT SUMMARY STATISTICS BY PROVINCE AND TERRITORY AS OF DECEMBER 2012***

| Province and Territory | Number of CESG Beneficiaries (age 0-17) (1) | Number of Eligible Children (age 0-17) (2) | CESG Participation Rate = (1)÷(2) (%) (3) | Cumulative CESG Payment ($ million) (4) |
|---|---|---|---|---|
| Ontario | 1,357,429 | 2,701,384 | 50.2 | 3,450.8 |
| British Columbia | 414,241 | 844,206 | 49.1 | 1,057.2 |
| Alberta | 391,456 | 847,250 | 46.2 | 848.7 |
| Newfoundland and Labrador | 39,316 | 92,727 | 42.4 | 82.3 |
| New Brunswick | 57,660 | 138,949 | 41.5 | 109.3 |
| Quebec | 618,483 | 1,526,782 | 40.5 | 1,094.5 |
| Nova Scotia | 65,938 | 170,034 | 38.8 | 140.4 |
| Prince Edward Island | 10,806 | 28,736 | 37.6 | 21.7 |
| Yukon | 2,754 | 7,396 | 37.2 | 6.4 |
| Saskatchewan | 86,318 | 248,462 | 34.7 | 197.3 |
| Manitoba | 95,180 | 289,377 | 32.9 | 188.3 |
| Northwest Territories | 3,001 | 11,172 | 26.9 | 6.9 |
| Nunavut | 662 | 12,647 | 5.2 | 1.4 |
| CANADA | 3,143,806 | 6,919,122 | 45.4 | 7,222.3 |

### *4.4 Canada Education Savings Grant Beneficiaries*

A CESG beneficiary is a child between the age of 0 and 17 who receives the grant from the Government of Canada based on the amount saved in his or her RESP account by a parent, grandparent or other individuals (subscribers of RESPs).

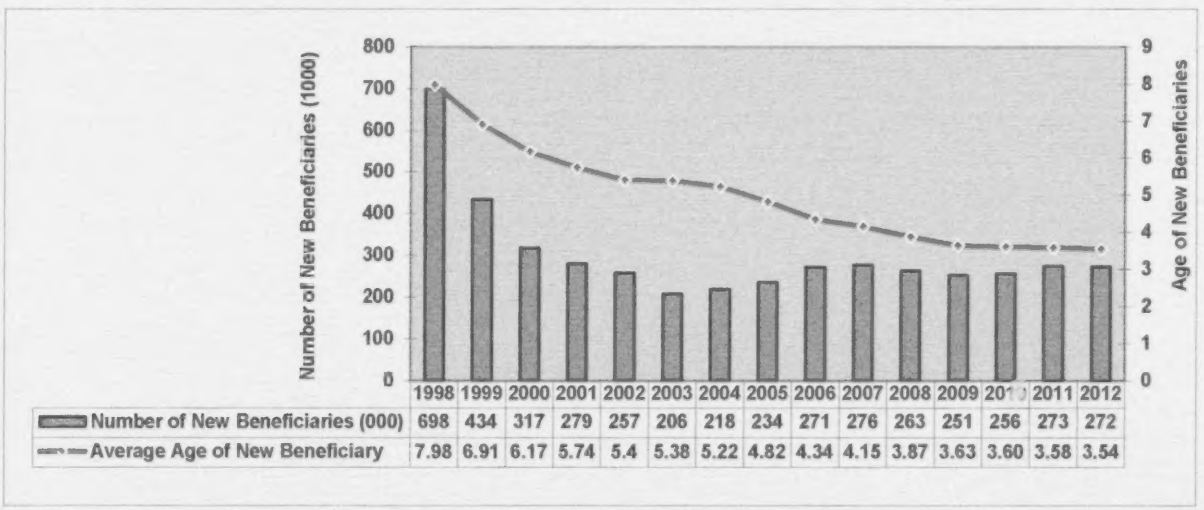
### *4.5 Average Age and Number of New Beneficiaries*

When the Canada Education Savings Program (CESP) began in 1998, the average age of new beneficiaries was almost 8 years of age. Over the last fifteen years, the average age has steadily decreased every year and has settled at just over 3.5 years of age, evidence that the CESP has encouraged families to save earlier for their children's post-secondary education.

In 2012, half of the new beneficiaries were less than 1 year old and another 9% were 2 years old.

The diagram below depicts the number of new beneficiaries by year. It demonstrates that in 1998, a large number of families opened an RESP for the first time and received the CESG. From 1998 until 2003 the annual number of new beneficiaries steadily decreased. Following the introduction of the Additional CESG and the Canada Learning Bond (CLB) in 2005, the number of new beneficiaries increased again until 2008 and dropped slightly during the recession. Since then the CESP has attracted over 250,000 new beneficiaries per year.

***AVERAGE AGE AND NUMBER OF NEW BENEFICIARIES BY YEAR***

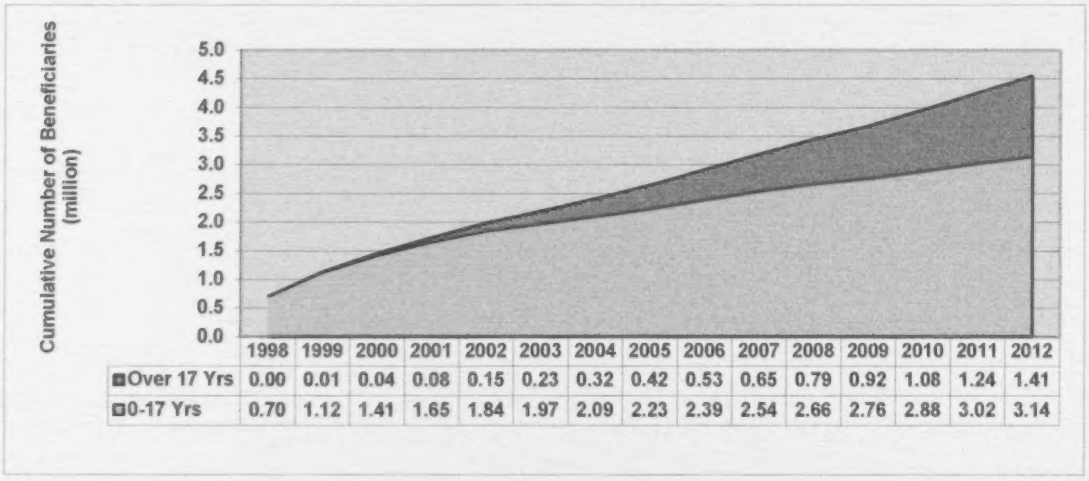



| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Number of New Beneficiaries (000) | 698 | 434 | 317 | 279 | 257 | 206 | 218 | 234 | 271 | 276 | 263 | 251 | 256 | 273 | 272 |
| Average Age of New Beneficiary | 7.98 | 6.91 | 6.17 | 5.74 | 5.4 | 5.38 | 5.22 | 4.82 | 4.34 | 4.15 | 3.87 | 3.63 | 3.60 | 3.58 | 3.54 |

### *4.6 Cumulative Number of Beneficiaries Who Have Ever Received a Canada Education Savings Grant*

As of 2012, 4.55 million beneficiaries in total have received a CESG since 1998. Among them, 3.14 million are between the ages of 0 and 17 years and still eligible for the grant. Another 1.41 million beneficiaries have surpassed the age of 17 and are eligible to attend a post-secondary education institution and begin withdrawing from their RESPs to support their post-secondary education.

***CUMULATIVE NUMBER OF BENEFICIARIES BY AGE GROUP AND YEAR (MILLION)***

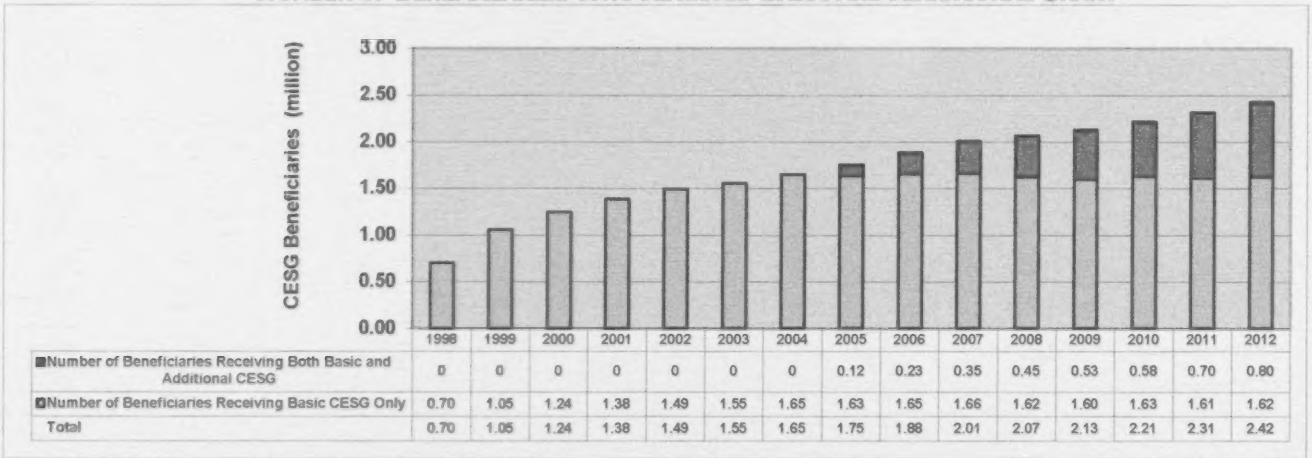



| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Over 17 Yrs | 0.00 | 0.01 | 0.04 | 0.08 | 0.15 | 0.23 | 0.32 | 0.42 | 0.53 | 0.65 | 0.79 | 0.92 | 1.08 | 1.24 | 1.41 |
| 0-17 Yrs | 0.70 | 1.12 | 1.41 | 1.65 | 1.84 | 1.97 | 2.09 | 2.23 | 2.39 | 2.54 | 2.66 | 2.76 | 2.88 | 3.02 | 3.14 |

### *4.7 Annual Number of Beneficiaries Who Received Basic and Additional Canada Education Savings Grant*

Of the 3.14 million beneficiaries who were eligible for the grant, 2.42 million beneficiaries received the CESG in 2012 while 1.62 million beneficiaries received the Basic CESG, and 800,000 children received the Additional CESG. The proportion of beneficiaries who received both Basic and Additional CESG has been growing continuously since the introduction of A-CESG in 2005.

***NUMBER OF BENEFICIARIES WHO RECEIVED BASIC AND ADDITIONAL GRANT***

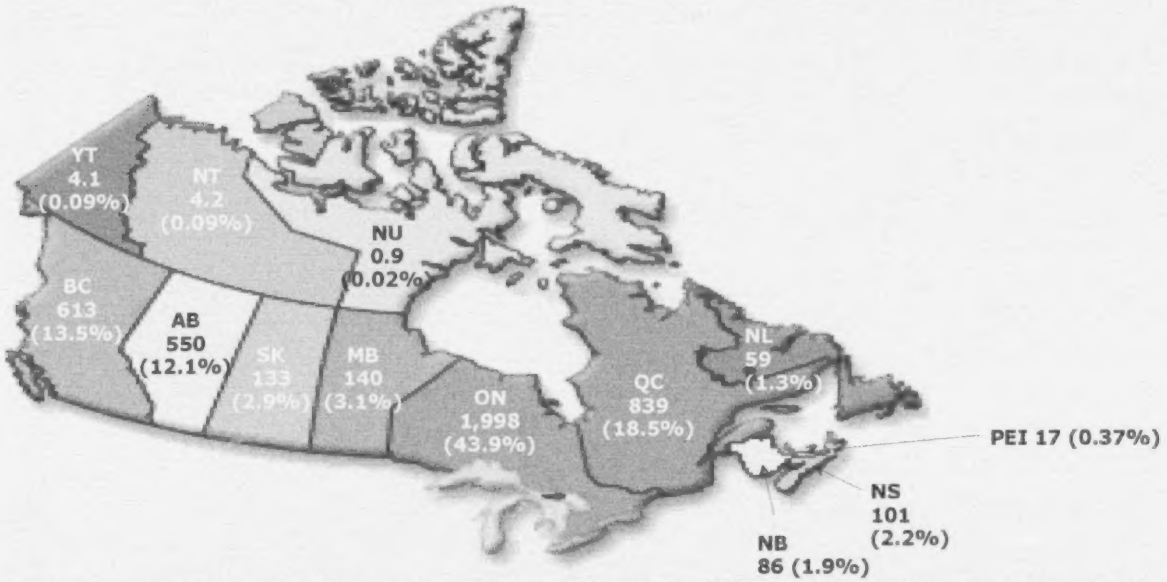



| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Number of Beneficiaries Receiving Both Basic and Additional CESG | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.12 | 0.23 | 0.35 | 0.45 | 0.53 | 0.58 | 0.70 | 0.80 |
| Number of Beneficiaries Receiving Basic CESG Only | 0.70 | 1.05 | 1.24 | 1.38 | 1.49 | 1.55 | 1.65 | 1.63 | 1.65 | 1.66 | 1.62 | 1.60 | 1.63 | 1.61 | 1.62 |
| Total | 0.70 | 1.05 | 1.24 | 1.38 | 1.49 | 1.55 | 1.65 | 1.75 | 1.88 | 2.01 | 2.07 | 2.13 | 2.21 | 2.31 | 2.42 |

### *4.8 Cumulative Number of Beneficiaries by Province and Territory*

The map below illustrates the cumulative number of beneficiaries who have ever received the CESG between 1998 and the end of 2012 by province and territory.

***CUMULATIVE NUMBER OF BENEFICIARIES BY PROVINCE AND TERRITORY (THOUSANDS)***




As in recent years, the cumulative number of beneficiaries in all provinces and territories grew between 4% and 8% in 2012. The national figure grew by 7%. Ontario, Quebec, British Columbia and Alberta continue to be the four provinces with the greatest number of beneficiaries in 2012, together accounting for 88% of all beneficiaries in Canada. The remaining provinces and territories together account for 12% of the national total.

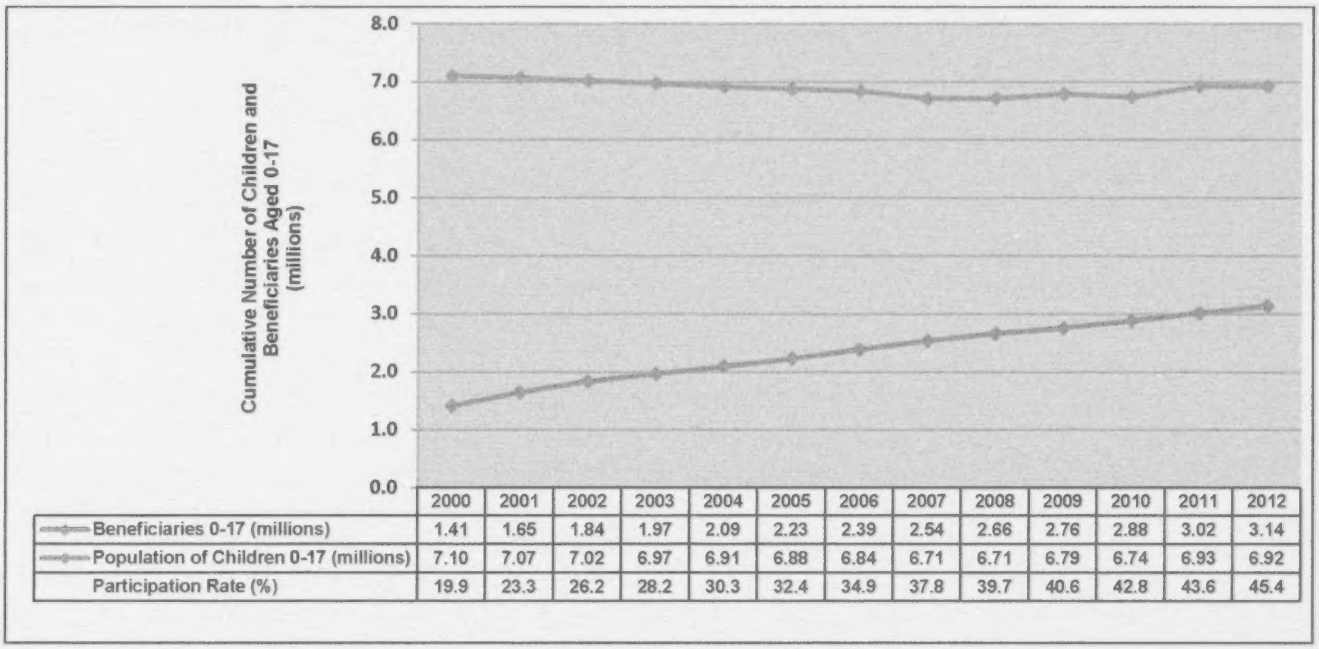
***CUMULATIVE NUMBER OF BENEFICIARIES BY PROVINCE AND TERRITORY (THOUSANDS)***

| Province and Territory | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|
| Ontario | 1,414 | 1,529 | 1,630 | 1,751 | 1,877 | 1998 |
| Quebec | 555 | 607 | 655 | 711 | 773 | 839 |
| British Columbia | 441 | 474 | 504 | 540 | 577 | 613 |
| Alberta | 375 | 407 | 438 | 474 | 511 | 550 |
| Manitoba | 97 | 105 | 112 | 121.2 | 131 | 140 |
| Saskatchewan | 97 | 104 | 110 | 117 | 125 | 133 |
| Nova Scotia | 77 | 81 | 86 | 91 | 96 | 101 |
| New Brunswick | 66 | 70 | 74 | 79 | 82 | 86 |
| Newfoundland and Labrador | 46 | 49 | 51 | 54 | 57 | 59 |
| Prince Edward Island | 13 | 14 | 14 | 15 | 16 | 17 |
| Northwest Territories | 2.4 | 2.6 | 2.7 | 3.0 | 4.0 | 4.2 |
| Yukon | 3.0 | 3.2 | 3.4 | 4.0 | 3.9 | 4.1 |
| Nunavut | 1.5 | 1.6 | 1.7 | 2.0 | 0.8 | 0.9 |
| CANADA | 3,187 | 3,448 | 3,683 | 3,962 | 4,255 | 4,548 |

### *4.9 Canada Education Savings Grant Participation Rates*

The CESG participation rate shows the percentage of children, between the ages of 0 and 17, who have ever received a grant from the Government of Canada as a percentage of the total population of this age group. Notable in the following chart is the slow decline in the number of children in the population aged 0 to 17.

***CESG PARTICIPATION RATES BY YEAR***




| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Beneficiaries 0-17 (millions) | 1.41 | 1.65 | 1.84 | 1.97 | 2.09 | 2.23 | 2.39 | 2.54 | 2.66 | 2.76 | 2.88 | 3.02 | 3.14 |
| Population of Children 0-17 (millions) | 7.10 | 7.07 | 7.02 | 6.97 | 6.91 | 6.88 | 6.84 | 6.71 | 6.71 | 6.79 | 6.74 | 6.93 | 6.92 |
| Participation Rate (%) | 19.9 | 23.3 | 26.2 | 28.2 | 30.3 | 32.4 | 34.9 | 37.8 | 39.7 | 40.6 | 42.8 | 43.6 | 45.4 |

### *4.10 Canada Education Savings Grant Participation Rates by Province and Territory and by Year*

By the end of 2012, the CESG participation rate in all provinces and territories increased between 1% and 6% over 2011. Between 2006 and 2012, Ontario, British Columbia, and Alberta maintained higher participation rates than the national participation rate.

***CANADA EDUCATION SAVINGS GRANT PARTICIPATION RATES BY PROVINCE AND TERRITORY AND YEAR***

| Province and Territory | 2006 (%) | 2007 (%) | 2008 (%) | 2009 (%) | 2010 (%) | 2011 (%) | 2012 (%) |
|---|---|---|---|---|---|---|---|
| Ontario | 38.5 | 41.2 | 43.2 | 44.0 | 46.1 | 48.3 | 50.2 |
| British Columbia | 37.0 | 39.3 | 41.1 | 44.8 | 47.0 | 47.4 | 49.1 |
| Alberta | 39.5 | 43.6 | 46.0 | 43.2 | 45.5 | 44.4 | 46.2 |
| Newfoundland and Labrador | 35.2 | 38.4 | 39.4 | 41.9 | 44.3 | 42.0 | 42.4 |
| New Brunswick | 33.9 | 37.1 | 38.5 | 39.7 | 41.4 | 40.6 | 41.5 |
| Québec | 28.3 | 31.5 | 33.6 | 35.0 | 37.5 | 38.2 | 40.5 |
| Nova Scotia | 30.5 | 32.9 | 33.6 | 34.9 | 36.6 | 37.4 | 38.8 |
| Prince Edward Island | 30.2 | 32.2 | 33.2 | 35.9 | 37.5 | 36.2 | 37.6 |
| Yukon | 35.2 | 38.2 | 39.4 | 38.4 | 41.8 | 36.5 | 37.2 |
| Saskatchewan | 28.9 | 30.9 | 31.9 | 33.8 | 35.4 | 33.9 | 34.7 |
| Manitoba | 26.5 | 28.6 | 29.9 | 29.8 | 31.5 | 31.6 | 32.9 |
| Northwest Territories | 16.4 | 18.1 | 18.6 | 17.1 | 17.5 | 26.0 | 26.9 |
| Nunavut | 10.6 | 11.7 | 12.0 | 11.2 | 11.5 | 5.2 | 5.2 |
| CANADA | 34.9 | 37.8 | 39.7 | 40.6 | 42.8 | 43.6 | 45.4 |

The Canada Education Savings Grant participation rate is calculated as the cumulative number of beneficiaries (age 0-17) who have ever received a Canada Education Savings Grant as of the end of each year divided by the total number of children (age 0-17) published in the Annual Demographic Estimates by Statistics Canada.

## 5. CANADA LEARNING BOND

Introduced in 2005 (and retroactive to January 1, 2004), in recognition of the difficulties in starting-up and contributing to a Registered Education Savings Plan (RESP) faced by low-income families, the Canada Learning Bond (CLB) provides an extra financial incentive to save. Upon applying, the CLB is given to all children who have an RESP account and are eligible to receive the National Child Benefit Supplement (NCBS). The CLB does not require any contributions from parents and is deposited directly into the child's RESP. The Government of Canada provides an initial CLB of $500 to children born after December 31, 2003 plus an additional $100 per year until age 15 and up to a maximum of $2,000.

### *5.1 Annual Number of New Canada Learning Bond Beneficiaries and Eligible Children*

In 2012, 111,841 new beneficiaries from low-income families were added to the total number of children who had ever received the CLB since 2005. This represents a net increase of 19% over 2011, when 93,984 children joined the Canada Education Savings Program (CESP) for the first time.

***NUMBER OF NEW CANADA LEARNING BOND BENEFICIARIES BY YEAR***

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|
| Number of New Beneficiaries | 26,177 | 48,767 | 64,485 | 71,602 | 81,154 | 93,984 | 111,841 |

Note: The number of new beneficiaries represents those who received the CLB for the first time ever in a given year, as opposed to the total number of children who have ever received a CLB, as reported in the Summary of the CESP's *Annual Statistical Review* 2012 and in the CLB Summary Statistics by Province and Territory.

Between 2006 and 2012, the number of children eligible to receive the CLB increased by more than two and a half times.

***NUMBER OF CANADA LEARNING BOND ELIGIBLE CHILDREN BY YEAR***

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|
| Annual Number of Eligible Children | 485,644 | 626,197 | 759,008 | 925,783 | 948,519 | 1,086,936 | 1,226,379 |

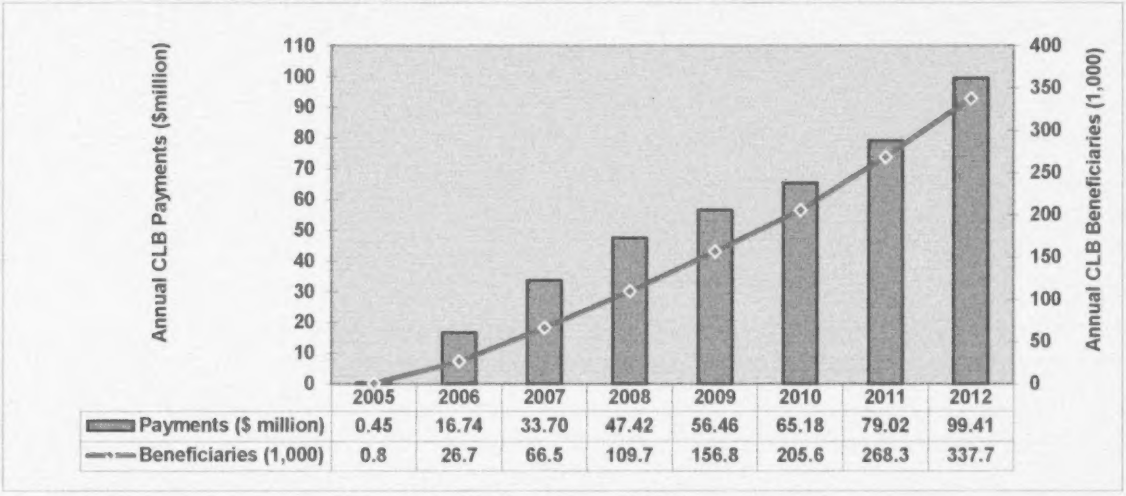
Note: The annual number of eligible children provides a snapshot of how many children were eligible for the CLB in a given year. This annual number is different from the cumulative number of children eligible for CLB as presented in the Summary of the CESP's *Annual Statistical Review 2012* and in the CLB Summary Statistics by Province and Territory.

### *5.2 Annual Canada Learning Bond Payments and Number of Beneficiaries*

In 2012, 337,700 children received $99.41 million in CLB payments. This number includes 111,841 children who received the CLB for the first time and those who continued to be eligible to receive it.

CLB payments increased more than $20 million (25.8%) in 2012 relative to 2011. A similar year-over-year comparison for the number of beneficiaries indicates that close to 26% more beneficiaries received the CLB in 2012.

***CANADA LEARNING BOND ANNUAL PAYMENTS AND BENEFICIARIES***




| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|---|
| Payments ($ million) | 0.45 | 16.74 | 33.70 | 47.42 | 56.46 | 65.18 | 79.02 | 99.41 |
| Beneficiaries (1,000) | 0.8 | 26.7 | 66.5 | 109.7 | 156.8 | 205.6 | 268.3 | 337.7 |

### *5.3 Savings Made on Behalf of Canada Learning Bond Beneficiaries (2005-2012)*

As of 2012, 498,766 children had received a CLB since 2005. Although it is not a requirement, over the years, 96.7% of these beneficiaries (482,158 children) received at least one contribution to their RESPs, totalling $1.8 billion in total savings in their RESPs.

***SAVINGS MADE ON BEHALF OF CANADA LEARNING BOND BENEFICIARIES***

| As of | Number of Canada Learning Bond Beneficiaries with Savings | Total Number of Canada Learning Bond Beneficiaries | Cumulative Contribution Rate (%) | Total Amount Saved ($ billion) |
|---|---|---|---|---|
| December 2012 | **482,158** | **498,766** | **96.7%** | **1.8** |

### *5.4 Annual Contribution Rate and Average Contributions for Canada Learning Bond Beneficiaries*

In 2012, 80.8% of beneficiaries who received a CLB payment also received a contribution. Among those who received a contribution, the average contribution was $1,013. Between 2007 and 2012, the average contribution in each year was stable at just over $1,000.

***AVERAGE CONTRIBUTIONS AND CONTRIBUTION RATE BY YEAR***

| Year | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|
| Annual Rate of Contribution | 91.7% | 88.2% | 85.5% | 83.3% | 81.7% | 80.8% |
| Average Contributions | $1,034 | $1,045 | $1,023 | $1,015 | $1,005 | $1,013 |

### *5.5 Canada Learning Bond Participation Rate by Province and Territory and by Year*

The cumulative CLB participation rate as of 2012 was 27.5%. The provincial breakdown of the participation rate indicates that British Columbia had the highest participation rate in 2012, followed by Quebec and Ontario, which were all above the national participation rate.

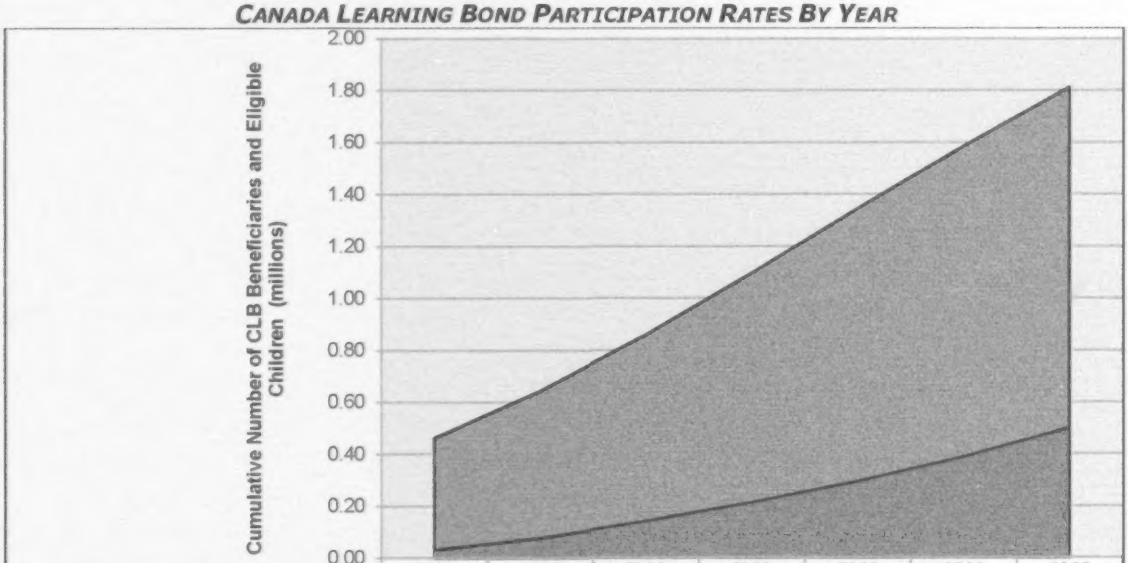
***CANADA LEARNING BOND PARTICIPATION RATE BY PROVINCE AND TERRITORY AND YEAR***

| Province and Territory | 2007 (%) | 2008 (%) | 2009 (%) | 2010 (%) | 2011 (%) | 2012 (%) |
|---|---|---|---|---|---|---|
| British Columbia | 15.0 | 20.2 | 22.7 | 24.7 | 27.2 | 31.8 |
| Quebec | 14.1 | 19.2 | 22.2 | 24.5 | 27.2 | 30.7 |
| Ontario | 11.2 | 16.4 | 18.8 | 21.4 | 24.6 | 29.1 |
| Alberta | 12.2 | 15.8 | 18.4 | 20.8 | 22.9 | 25.3 |
| New Brunswick | 11.6 | 15.2 | 18.5 | 20.1 | 20.2 | 21.0 |
| Prince Edward Island | 5.8 | 10.2 | 13.1 | 15.7 | 17.7 | 19.7 |
| Manitoba | 6.8 | 9.6 | 15.4 | 19.0 | 22.3 | 19.3 |
| Nova Scotia | 6.6 | 9.7 | 12.5 | 15.5 | 17.6 | 19.1 |
| Newfoundland and Labrador | 8.0 | 11.6 | 15.1 | 17.0 | 17.4 | 19.0 |
| Saskatchewan | 7.2 | 10.1 | 15.4 | 18.0 | 19.6 | 17.7 |
| Yukon | 6.2 | 9.3 | 11.3 | 12.9 | 14.5 | 16.3 |
| Northwest Territories | 3.0 | 4.1 | 6.0 | 7.1 | 8.4 | 8.3 |
| Nunavut | 0.6 | 0.7 | 1.3 | 1.7 | 1.4 | 0.9 |
| CANADA | 11.8 | 16.3 | 19.3 | 21.8 | 24.4 | 27.5 |

### *5.6 Dynamics of Canada Learning Bond Participation*

The CLB participation rate went from 24.4% in 2011 to 27.5% in 2012, representing an increase of 3.1 percentage points. Since the number of eligible children (depicted by the blue and purple areas in the diagram below) continues to increase at the same time as the number of beneficiaries (depicted by the purple area in the diagram below), this change in participation rate masks the true degree of change in the number of beneficiaries. In 2012, the growth rate of beneficiaries was twice as much as the growth rate of eligible children.

***CANADA LEARNING BOND PARTICIPATION RATES BY YEAR***




| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|
| Cumulative Number of Eligible Children (millions) | 0.46 | 0.64 | 0.86 | 1.09 | 1.34 | 1.58 | 1.81 |
| Cumulative Number of CLB Beneficiaries (millions) | 0.03 | 0.08 | 0.14 | 0.21 | 0.29 | 0.39 | 0.50 |
| Participation Rate | 6.8% | 11.2% | 16.3% | 19.3% | 21.8% | 24.4% | 27.5% |

### *5.7 Canada Learning Bond Summary Statistics by Province and Territory*

The provincial and territorial cumulative statistics related to the CLB show that 498,766 of the 1.81 million eligible children (27.5%) have ever received the bond from the Government of Canada. Cumulative CLB payments amounted to $398.36 million as of 2012.

***CANADA LEARNING BOND SUMMARY STATISTICS BY PROVINCE AND TERRITORY AS OF DECEMBER 31, 2012***

| Province and Territory | Total Number of Children Who Have Ever Received a CLB (1) | Cumulative Number of Children Eligible for the CLB (2) | CLB Participation Rate = (1)/(2)(%) (3) | Cumulative CLB Payment ($ million) (4) |
|---|---|---|---|---|
| British Columbia | 67,226 | 211,381 | 31.8 | 53.02 |
| Quebec | 126,783 | 412,358 | 30.7 | 100.73 |
| Ontario | 194,283 | 666,838 | 29.1 | 159.32 |
| Alberta | 55,128 | 218,091 | 25.3 | 41.44 |
| New Brunswick | 7,850 | 37,389 | 21.0 | 6.52 |
| Prince Edward Island | 1,444 | 7,321 | 19.7 | 1.16 |
| Manitoba | 18,027 | 93,627 | 19.3 | 14.23 |
| Nova Scotia | 8,793 | 46,003 | 19.1 | 7.02 |
| Newfoundland and Labrador | 4,677 | 24,553 | 19.0 | 3.80 |
| Saskatchewan | 13,786 | 78,077 | 17.7 | 10.66 |
| Yukon | 285 | 1,752 | 16.3 | 0.23 |
| Northwest Territories | 255 | 3,085 | 8.3 | 0.20 |
| Nunavut | 44 | 5,159 | 0.9 | 0.04 |
| CANADA | 498,766 | 1,811,421 | 27.5 | 398.36 |

## 6. SUPPORTING ACCESS TO POST-SECONDARY EDUCATION

The Government of Canada supports Canadian families and individuals who want to pursue post-secondary education after graduating from high school by encouraging saving in Registered Education Savings Plans (RESPs). These savings provide a significant source of funding for post-secondary education that complements loans, grants, scholarships and bursaries to ensure that Canadians have the financial support they need for their post-secondary education.

### *6.1 RESP Withdrawals*

In 2012, 328,244 students withdrew $2.38 billion from their RESPs for their post-secondary education. The average withdrawal was $7,235, which represents an increase of more than 4% over 2011.

***RESP Withdrawals***

| Year | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|
| (1) Total Value (billion) | $1.32 | $1.50 | $1.60 | $1.92 | $2.07 | $2.38 |
| (2) Number of Students | 218,834 | 231,679 | 251,159 | 287,865 | 299,709 | 328,244 |
| (3) Average = (1)/(2) | $6,032 | $6,474 | $6,370 | $6,680 | $6,907 | $7,235 |

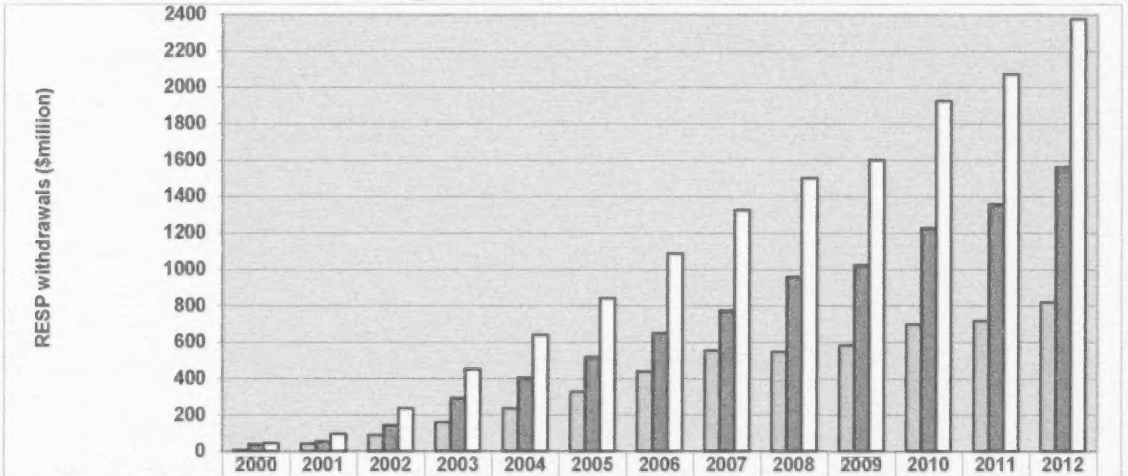
### *6.2 Education Assistance Payments and Post-Secondary Education Withdrawals by Year*

Education Assistance Payments (EAPs) are amounts paid from an RESP to an eligible beneficiary to assist with education-related expenses at the post-secondary level. They are comprised of the Canada Education Savings Grant, the Canada Learning Bond, and the income earned on the money saved in the RESP. Payments to a beneficiary are made according to the specific terms of the RESP.

A post-secondary education withdrawal is a withdrawal of contributions made by the subscriber to an RESP when a beneficiary is enrolled in PSE.

In 2012, $816 million was paid to post-secondary students as EAPs while $1.56 billion was withdrawn from RESPs as PSE withdrawals.

***Education Assistance Payments and Post-Secondary Education Withdrawals by Year***




| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EAPs ($ million) | 7 | 40 | 90 | 158 | 236 | 324 | 438 | 552 | 544 | 580 | 697 | 715 | 816 |
| PSE ($ million) | 38 | 55 | 145 | 292 | 403 | 516 | 648 | 772 | 956 | 1,020 | 1,226 | 1,356 | 1,559 |
| Total ($ million) | 45 | 95 | 235 | 450 | 639 | 840 | 1,086 | 1,324 | 1,500 | 1,600 | 1,923 | 2,072 | 2,375 |

### *6.3 Rate of Withdrawal for Beneficiaries Age 17 and Over, by Year and Age*

The RESP withdrawal rate by age is obtained by dividing the number of beneficiaries who have withdrawn money in a year by the total number of beneficiaries of that age in that year.

In 2012, 46.3% of 19 year old beneficiaries made an RESP withdrawal. Since 2007, RESP beneficiaries of 19 years of age have had the highest rate of withdrawal.

***RESP WITHDRAWAL RATE BY YEAR AND AGE***

| Age | 2007 (%) | 2008 (%) | 2009 (%) | 2010 (%) | 2011 (%) | 2012 (%) |
|---|---|---|---|---|---|---|
| 17 | 3.9 | 3.9 | 3.9 | 4.1 | 4.0 | 3.9 |
| 18 | 43.2 | 41.8 | 41.3 | 43.8 | 41.7 | 43.0 |
| 19 | 50.0 | 47.7 | 46.1 | 49.1 | 45.2 | 46.3 |
| 20 | 43.0 | 40.8 | 40.1 | 41.8 | 38.4 | 39.1 |
| 21 | 34.9 | 33.3 | 33.1 | 34.9 | 31.5 | 32.4 |
| 22 | 22.4 | 20.4 | 20.5 | 22.2 | 20.3 | 20.7 |
| 23 | 13.2 | 10.9 | 10.6 | 11.9 | 10.9 | 11.2 |
| 24 | 6.8 | 6.0 | 5.4 | 6.1 | 5.8 | 6.0 |
| 25 | 3.0 | 3.0 | 3.0 | 3.2 | 3.0 | 3.2 |
| 26 | 1.3 | 1.4 | 1.4 | 1.8 | 1.6 | 1.7 |

## 7. CANADA EDUCATION SAVINGS PROGRAM TERMS AND DEFINITIONS

**ADDITIONAL CANADA EDUCATION SAVINGS GRANT (Additional CESG)**
This is a payment over and above the Basic Canada Education Savings Grant. This is extra money offered by the Government of Canada to further encourage low-income families to save for a child's post-secondary education. This grant is paid directly into a child's RESP by Human Resources and Skills Development Canada (HRSDC).

**BENEFICIARY**
A Registered Education Savings Plan (RESP) beneficiary is usually a child, but can be any person named by the subscriber of an RESP to receive money for education after high school in the form of Education Assistance Payments. Payments to a beneficiary are made according to the specific terms of the RESP.

**CANADA EDUCATION SAVINGS GRANT (CESG)**
This is a grant offered by the Government of Canada to encourage parents, family and friends to save for a child's post-secondary education. A CESG is paid by Human Resources and Skills Development Canada directly into a Registered Education Savings Plan in which the child is named as the beneficiary.

**CANADA EDUCATION SAVINGS PROGRAM (CESP)**
This is a program within Human Resources and Skills Development Canada that administers the Canada Education Savings Grant and the Canada Learning Bond to encourage early savings into Registered Education Savings Plans for a child's post-secondary education.

**CANADA LEARNING BOND (CLB)**
This is a grant offered by the Government of Canada to help low- to modest-income families start saving for their child's post-secondary education. The CLB is paid by Human Resources and Skills Development Canada directly into the Registered Education Savings Plan of a child who is a named beneficiary and whose parent or guardian is eligible to receive the National Child Benefit Supplement.

**EDUCATION ASSISTANCE PAYMENTS (EAPs)**
EAPs are amounts paid from a Registered Education Savings Plan to an eligible beneficiary to assist with education-related expenses at the post-secondary level. As such, EAPs include the Canada Education Savings Grant, the Canada Learning Bond, and the income earned on the money saved in the RESP.

**HUMAN RESOURCES AND SKILLS DEVELOPMENT CANADA (HRSDC)**
HRSDC is a department of the Government of Canada whose mission is to build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives, and to improve Canadians' quality of life.

**POST-SECONDARY EDUCATION (PSE)**
Refers to qualifying educational programs in designated institutions (e.g. CEGEPs, colleges, universities or others) in Canada or abroad.

**POST-SECONDARY EDUCATION WITHDRAWAL**
This is a withdrawal of contributions made by the subscriber to an RESP when a beneficiary is enrolled in post-secondary education.

**REGISTERED EDUCATION SAVINGS PLAN (RESP)**
An RESP is an education savings account that can help Canadians save for post-secondary education. RESPs are registered by the Government of Canada to allow savings for education to grow tax-free until the person named in the RESP enrolls in post-secondary education.

**RESP PROVIDERS**
Providers are financial organizations such as banks or credit unions, certified financial planners or group plan dealers that provide Registered Education Savings Plans to Canadians. They administer all amounts paid into the plan and ensure the payments from the RESP are made according to the terms of the plan and the laws that govern it.

**RESP WITHDRAWALS**
These are made from a Registered Education Savings Plan to pay for post-secondary education. They include both Education Assistance Payments and Post-Secondary Education Withdrawals.

**SUBSCRIBER**
A subscriber is an individual who opens a Registered Education Savings Plan to make contributions to an RESP on behalf of an individual named as a beneficiary. A subscriber can be a parent, grandparent, aunt, uncle, sibling or friend of the beneficiary.